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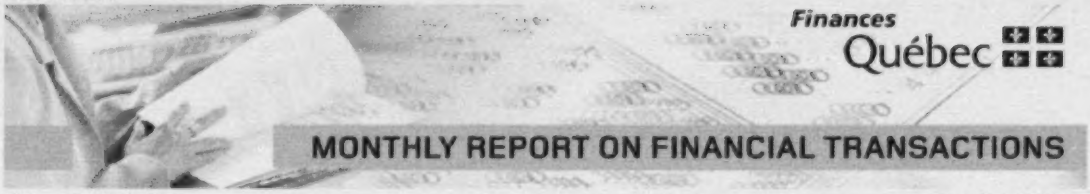

Finances Québec

MONTHLY REPORT ON FINANCIAL TRANSACTIONS

Volume 9, number 5 December 19, 2014

AS AT SEPTEMBER 30, 2014

Highlights for September 2014

- Budgetary revenue totalled $6.2 billion in September, up $52 million compared to last year. Own-source revenue was $4.9 billion, up $94 million, while federal transfers totalled $1.3 billion, a decrease of $42 million.
- Program spending amounted to $5.0 billion, up $26 million over last year.
- Debt service stood at $668 million, down $67 million from last year.
- Taking into account the deposit of $103 million in the Generations Fund, the monthly budgetary balance within the meaning of the *Balanced Budget Act* showed a surplus of $661 million for September 2014.

On the basis of the cumulative results as at September 30, 2014, the budgetary balance within the meaning of the *Balanced Budget Act* was in surplus by $43 million.

Summary of consolidated budgetary transactions
(millions of dollars) (Unaudited data)

	September		April to September			Update on Québec's Economic and Financial Situation December 2014	
	2013 [1]	2014	2013-2014 [1]	2014-2015	Change %	2014-2015	Forecast growth %
Budgetary revenue							
Own-source revenue	4 771	4 865	25 547	26 352	3.2	54 413	2.2
Federal transfers	1 381	1 339	8 199	8 281	1.0	16 812	1.7
Total	**6 152**	**6 204**	**33 746**	**34 633**	**2.6**	**71 225**	**2.1**
Budgetary expenditure							
Program spending	–4 941	–4 967	–30 637	–31 188	1.8	–65 704	2.1
Debt service	–735	–668	–4 218	–4 111	-2.5	–8 430	-0.0
Total	**–5 676**	**–5 635**	**–34 855**	**–35 299**	**1.3**	**–74 134**	**1.9**
Consolidated entities[2]							
Non-budget-funded bodies and special funds	1	112	551	788	—	639	—
Health and social services and education networks	–33	–20	–85	–79	—	–80	—
Generations Fund	81	103	497	572	—	1 285	—
Total	**49**	**195**	**963**	**1 281**	—	**1 844**	—
Surplus (Deficit)	**525**	**764**	**–146**	**615**	—	**–1 065**	—
Balanced Budget Act							—
Deposits of dedicated revenues in the Generations Fund	–81	–103	–497	–572	—	–1 285	—
BUDGETARY BALANCE WITHIN THE MEANING OF THE BALANCED BUDGET ACT	**444**	**661**	**–643**	**43**	—	**–2 350**	—

(1) For comparison purposes, spending for 2013-2014 was adjusted to take into account the changes that the Ministère de l'Éducation, du Loisir et du Sport (MELS) and the Ministère de l'Enseignement supérieur, de la Recherche et de la Science (MESRS) made in the monthly transfer expenditure apportionment rates for private institutions, as well as the actual results of all non-budget-funded bodies and special funds.

(2) Details of transactions by type of entity are presented on page 6 of this report.

❑ Cumulative results as at September 30, 2014

■ Budgetary balance

For the period from April to September 2014, the budgetary balance within the meaning of the *Balanced Budget Act* was in surplus by $43 million.

For fiscal 2014-2015 as a whole, the December 2014 Update on Québec's Economic and Financial Situation provides for a budgetary balance in deficit by $2.4 billion.

■ Budgetary revenue

As at September 30, 2014, budgetary revenue amounted to $34.6 billion, $887 million more than as at September 30, 2013.

— Own-source revenue stood at $26.4 billion, up $805 million from the same time last year.

— Federal transfers amounted to $8.3 billion, up $82 million compared to September 30, 2013.

■ Budgetary expenditure

Budgetary expenditure as of the beginning of the fiscal year totalled $35.3 billion, an increase of $444 million, or 1.3%, over last year.

For the fiscal year, program spending rose by $551 million, or 1.8%, reaching $31.2 billion. The most significant changes were in the Health and Social Services ($353 million) and Education and Culture ($127 million) missions.

Debt service amounted to $4.1 billion, a decrease of $107 million, or 2.5%, compared to last year.

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■ Consolidated entities

As at September 30, 2014, the results of consolidated entities showed a surplus of $1.3 billion. These results included:

— a surplus of $788 million for non-budget-funded bodies and special funds;

— dedicated revenue of $572 million for the Generations Fund;

— a $79-million deficit for the health and social services and education networks.

■ Net financial requirements

As at September 30, 2014, consolidated net financial requirements stood at $2.9 billion, an increase of $613 million compared to last year. Net financial requirements reflect the current budgetary balance as well as the year-over-year change in receipts and disbursements in the course of the government's transactions.

Consolidated budgetary and financial transactions
(millions of dollars) (Unaudited data)

	September			April to September		
	2013 [1]	2014	Change	2013-2014 [1]	2014-2015	Change
Budgetary revenue						
Own-source revenue	4 771	4 865	94	25 547	26 352	805
Federal transfers	1 381	1 339	–42	8 199	8 281	82
Total	**6 152**	**6 204**	**52**	**33 746**	**34 633**	**887**
Budgetary expenditure						
Program spending	–4 941	–4 967	–26	–30 637	–31 188	–551
Debt service	–735	–668	67	–4 218	–4 111	107
Total	**–5 676**	**–5 635**	**41**	**–34 855**	**–35 299**	**–444**
Consolidated entities[2]						
Non-budget-funded bodies and special funds	1	112	111	551	788	237
Health and social services and education networks	–33	–20	13	–85	–79	6
Generations Fund	81	103	22	497	572	75
Total	**49**	**195**	**146**	**963**	**1 281**	**318**
Surplus (Deficit)	**525**	**764**	**239**	**–146**	**615**	**761**
Consolidated non-budgetary surplus (requirements)	2 055	644	–1 411	–2 150	–3 524	–1 374
CONSOLIDATED NET FINANCIAL SURPLUS (REQUIREMENTS)	**2 580**	**1 408**	**–1 172**	**–2 296**	**–2 909**	**–613**

(1) For comparison purposes, spending for 2013-2014 was adjusted to take into account the changes that the Ministère de l'Éducation, du Loisir et du Sport (MELS) and the Ministère de l'Enseignement supérieur, de la Recherche et de la Science (MESRS) made in the monthly transfer expenditure apportionment rates for private institutions, as well as the actual results of all non-budget-funded bodies and special funds.

(2) Details of transactions by type of entity are presented on page 6 of this report.

MONTHLY REPORT ON FINANCIAL TRANSACTIONS

General fund revenue
(millions of dollars)

(Unaudited data)

Revenue by source	September 2013	September 2014	Change %	April to September 2013-2014	April to September 2014-2015	Change %
Own-source revenue excluding government enterprises						
Income and property taxes						
Personal income tax	2 191	2 028	–7.4	9 655	9 651	0.0
Contributions to Health Services Fund	582	577	–0.9	3 328	3 390	1.9
Corporate taxes	184	282	53.3	1 311	1 507	15.0
Consumption taxes	1 486	1 546	4.0	8 587	8 974	4.5
Other sources	56	161	187.5	793	952	20.1
Total own-source revenue excluding government enterprises	**4 499**	**4 594**	**2.1**	**23 674**	**24 474**	**3.4**
Revenue from government enterprises	272	271	–0.4	1 873	1 878	0.3
Total own-source revenue	**4 771**	**4 865**	**2.0**	**25 547**	**26 352**	**3.2**
Federal transfers						
Equalization	653	774	18.5	3 917	4 643	18.5
Health transfers	445	403 (1)	–9.4	2 587	2 416 (1)	–6.6 (1)
Transfers for post-secondary education and other social programs	128	132	3.1	772	793	2.7
Other programs	69	30	–56.5	405	429	5.9
Subtotal	**1 295**	**1 339**	**3.4**	**7 681**	**8 281**	**7.8**
Harmonization of the QST with the GST – Compensation	86 (2)	—	—	518 (2)	—	—
Total federal transfers	**1 381**	**1 339**	**–3.0**	**8 199**	**8 281**	**1.0**
BUDGETARY REVENUE	**6 152**	**6 204**	**0.8**	**33 746**	**34 633**	**2.6**

(1) In accordance with the policy directions of Budget 2014-2015, tabled on June 4, 2014, $430 million in health transfers was earmarked in 2014-2015 for the Fund to Finance Health and Social Services Institutions (FINESSS), a consolidated entity. That allocation is spread over 2014 2015, at $36 million a month, and has already been deducted from the health transfers. Were it not for the allocation, the change would be 1.7% instead of -6.6%.

(2) Revenue from federal compensation for sales tax harmonization is recorded as compensation funded spending is recognized. Consequently, the payment of $1 467 million in that respect in 2013-2014 was spread over 2013-2014 at the rate, at $86 million a month, for debt service expenditure. The allocation of $430 million in compensation to the FINESSS was also spread over the 2013-2014 fiscal year, at $36 million a month.

MONTHLY REPORT ON FINANCIAL TRANSACTIONS

General fund expenditure
(millions of dollars)

(Unaudited data)

	September			April to September		
Expenditure by mission	**2013** [1],[2]	**2014**	**Change %**	**2013-2014** [1],[2]	**2014-2015**	**Change %**
Program spending						
Health and Social Services	2 290	2 295	0.2	15 296	15 649	2.3
Education and Culture	1 541	1 534	–0.5	7 684	7 811	1.7
Economy and Environment	296	292	–1.4	2 543	2 483	–2.4
Support for individuals and families	514	537	4.5	3 136	3 236	3.2
Administration and Justice	300	309	3.0	1 978	2 009	1.6
Total program spending	**4 941**	**4 967**	**0.5**	**30 637**	**31 188**	**1.8**
Debt service	**735**	**668**	**–9.1**	**4 218**	**4 111**	**–2.5**
BUDGETARY EXPENDITURE	**5 676**	**5 635**	**–0.7**	**34 855**	**35 299**	**1.3**

(1) For comparison purposes, spending for 2013-2014 was adjusted to take into account the changes that the Ministère de l'Éducation, du Loisir et du Sport (MELS) and the Ministère de l'Enseignement supérieur, de la Recherche et de la Science (MESRS) made in the monthly transfer expenditure apportionment rates for private institutions, as well as the actual results of all non-budget-funded bodies and special funds.

(2) Certain spending was reclassified between missions to take into account the transition to the 2014-2015 budgetary structure as of September 2014.

MONTHLY REPORT ON FINANCIAL TRANSACTIONS

Detailed information on the transactions of consolidated entities
(millions of dollars)

(Unaudited data)

	September 2014								
	Special funds	Generations Fund	Specified purpose accounts	Transfers (expenditures) related to the tax system	Non-budget-funded bodies	Health and education networks [1]	Total	Consolidation adjustments [2]	Total
Revenue	**928**	**103**	**34**	**354**	**1 842**	**—**	**3 261**	**–1 812**	**1 450**
Expenditure									
Expenditure	–704	—	–34	–354	–1 698	–20	–2 810	1 720	–1 091
Debt service	–183	—	—	—	–73	—	–256	92	–164
Total	**–887**	**—**	**–34**	**–354**	**–1 771**	**–20**	**–3 066**	**1 812**	**–1 255**
RESULTS	**41**	**103**	**—**	**—**	**71**	**–20**	**195**	**—**	**195**

	April to September 2014								
	Special funds	Generations Fund	Specified purpose accounts	Transfers (expenditures) related to the tax system	Non-budget-funded bodies	Health and education networks [1]	Total	Consolidation adjustments [2]	Total
Revenue	**5 521**	**572**	**409**	**2 899**	**11 337**	**—**	**20 738**	**–11 287**	**9 451**
Expenditure									
Expenditure	–4 021	—	–409	–2 899	–10 526	–79	–17 934	10 745	–7 189
Debt service	–1 049	—	—	—	–474	—	–1 523	542	–981
Total	**–5 070**	**—**	**–409**	**–2 899**	**–11 000**	**–79**	**–19 457**	**11 287**	**–8 170**
RESULTS	**451**	**572**	**—**	**—**	**337**	**–79**	**1 281**	**—**	**1 281**

(1) The results of the networks are presented according to the modified equity accounting method.
(2) Consolidation adjustments include the elimination of program spending from the general fund.

The next monthly report, as at October 31, 2014, will be published on January 30, 2015.

For more information, contact the Direction des Communications of the Ministère des Finances at 418 528-7382.

The report is available on the Ministère des Finances website: www.finances.gouv.qc.ca.